



SUSAN MONTEE, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Gentry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Gentry County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2007, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, CPA
State Auditor

January 2009
Report No. 2009-11

GENTRY COUNTY, MISSOURI
ANNUAL FINANCIAL REPORT

December 31, 2007 and 2006

GENTRY COUNTY, MISSOURI

TABLE OF CONTENTS

| | Page |
|--|------|
| INTRODUCTORY SECTION | |
| List of Elected Officials----- | i |
| FINANCIAL SECTION | |
| Independent Auditors' Report----- | ii |
| BASIC FINANCIAL STATEMENTS: | |
| <i>Governmental Funds:</i> | |
| Statements of Receipts, Disbursements and Changes in Cash – All Governmental Funds----- | 1 |
| Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – All Governmental Funds ----- | 2 |
| <i>Fiduciary Funds:</i> | |
| Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds -- | 15 |
| Notes of Financial Statements ----- | 16 |
| COMPLIANCE SECTION | |
| AUDITORS' REPORTS PURSUANT TO GOVERNMENTAL AUDITING STANDARDS | |
| Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards ----- | 22 |
| Findings and Recommendations----- | 24 |
| Schedule of Prior Year Audit Findings----- | 27 |

INTRODUCTORY SECTION

GENTRY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Rod Dollars

Associate Commissioner – Gary Carlson

Associate Commissioner – Larry Wilson

Other Elected Officials

Assessor – Sheryl Coburn

Circuit Clerk / Recorder – John Whitaker

Collector/ Treasurer – Sue Hopkins

Coroner – C. Bryan Polley

County Clerk – Carol Reidlinger

Prosecuting Attorney – Roger Combs

Public Administrator – Judy Pickering

Sheriff – Eugene Lupfer

SUITE 900
1111 MAIN STREET
KANSAS CITY, MO 64105
TELEPHONE: (816) 221.4559
FACSIMILE: (816) 221.4563
EMAIL: McBRIDELOCK@EARTHLINK.NET
CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and Officeholders of Gentry County, Missouri

We have audited the accompanying financial statements of Gentry County, Missouri as of and for the years ended December 31, 2007 and 2006, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, Gentry County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Gentry County, Missouri, as of December 31, 2007 and 2006, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the governmental and agency funds of Gentry County, Missouri, as of December 31, 2007 and 2006, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 29, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and

the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

(Original signed by Auditor)

McBride, Lock & Associates
July 29, 2008

FINANCIAL SECTION

GENTRY COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS
 YEARS ENDED DECEMBER 31, 2006 AND 2007

| Fund | Cash January 1 2006 (restated) | Receipts 2006 | Disbursements 2006 | Cash December 31 2006 | Receipts 2007 | Disbursements 2007 | Cash December 31 2007 |
|---|---|------------------|-----------------------|-----------------------------|------------------|-----------------------|-----------------------------|
| | | | | | | | |
| General Revenue | \$ 79,952 | 1,202,685 | 1,228,374 | 54,263 | 1,116,420 | 986,374 | 184,309 |
| Special Road and Bridge | 44,191 | 777,931 | 713,472 | 108,650 | 788,961 | 876,561 | 21,050 |
| Assessment | 20,799 | 115,019 | 131,879 | 3,939 | 109,190 | 97,639 | 15,490 |
| Special Election | - | 14,550 | 14,550 | - | 17,599 | 17,599 | - |
| Law Enforcement Training | 193 | 886 | 876 | 203 | 912 | 888 | 227 |
| Prosecuting Attorney Training | 1,518 | 225 | - | 1,743 | 231 | 439 | 1,535 |
| Bad Check | 13,566 | 9,469 | 4,875 | 18,160 | 10,689 | 5,589 | 23,260 |
| Emergency Preparedness | 30,517 | 20,304 | 17,816 | 33,005 | 13,976 | 14,291 | 32,690 |
| Children's Trust | 3,200 | 260 | - | 3,460 | 350 | - | 3,810 |
| Prosecuting Attorney's Tax Collection | 6,181 | 139 | - | 6,320 | - | - | 6,320 |
| Peace Officer Standards & Training Commission | 348 | 39 | 378 | 9 | 500 | 400 | 109 |
| Emergency | 73,235 | 30,000 | - | 103,235 | 40,000 | - | 143,235 |
| Sheriff's Civil Fees | 7,951 | 9,964 | 11,600 | 6,315 | 12,202 | 14,726 | 3,791 |
| Recorder User Fees | 4,461 | 3,522 | 5,400 | 2,583 | 3,120 | 577 | 5,126 |
| Victim's Assistance | 2,393 | - | - | 2,393 | - | - | 2,393 |
| Tax Maintenance | 18,441 | 7,314 | 4,458 | 21,297 | 6,977 | 16,704 | 11,570 |
| Recorder Technology | 9,643 | 1,922 | 5,121 | 6,444 | 1,762 | 2,930 | 5,276 |
| County Clerks Election | 19,275 | 2,246 | 7,602 | 13,919 | 1,977 | 734 | 15,162 |
| Emergency Dispatch | 196,661 | 204,494 | 249,292 | 151,863 | 227,506 | 215,042 | 164,327 |
| Community Development Block Grant | 41 | 1 | - | 42 | 2 | - | 44 |
| Missouri Office of Prosecution Services | 138 | 1,650 | 1,468 | 320 | 1,790 | 1,975 | 135 |
| Sheriffs Revolving | 841 | 200 | - | 1,041 | 625 | - | 1,666 |
| Law Enforcement Restitution | 1,060 | 866 | - | 1,926 | 19,850 | 2,313 | 19,463 |
| War Memorial | - | 1,875 | - | 1,875 | - | - | 1,875 |
| Senior Citizens Services | - | - | - | - | 39,113 | 21,700 | 17,413 |
| Total | \$ 534,605 | 2,405,561 | 2,397,161 | 543,005 | 2,413,752 | 2,276,481 | 680,276 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| GENERAL FUND Year Ended December 31, | | | | |
|---|---------------------|------------------|------------------|------------------|
| | 2006 | | 2007 | |
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> |
| RECEIPTS | | | | |
| Property taxes | \$ 363,500 | 352,722 | 366,000 | 379,330 |
| Sales taxes | 280,000 | 262,963 | 264,000 | 299,406 |
| Intergovernmental | 421,156 | 394,284 | 257,120 | 215,678 |
| Charges for services | 116,850 | 98,609 | 121,690 | 115,286 |
| Interest | 16,000 | 17,993 | 18,000 | 20,749 |
| Other | 20,565 | 28,151 | 18,746 | 30,596 |
| Transfers in | 47,963 | 47,963 | 55,375 | 55,375 |
| Total Receipts | <u>1,266,034</u> | <u>1,202,685</u> | <u>1,100,931</u> | <u>1,116,420</u> |
| DISBURSEMENTS | | | | |
| County Commission | 70,460 | 69,949 | 71,960 | 70,301 |
| County Clerk | 83,876 | 79,692 | 111,750 | 85,381 |
| Elections | 139,900 | 137,656 | 11,200 | 11,191 |
| Buildings and grounds | 81,150 | 78,183 | 42,650 | 34,406 |
| Employee fringe benefits | 110,500 | 96,414 | 112,000 | 102,337 |
| County Treasurer | 72,642 | 71,224 | 68,500 | 65,982 |
| Circuit Clerk | 7,000 | 5,561 | 5,150 | 5,923 |
| Associate Circuit Court - Probate | 13,625 | 5,722 | 13,725 | 8,836 |
| Associate Circuit Court | - | - | - | - |
| Court administration | 26,200 | 292 | 1,200 | - |
| Public Administrator | 27,515 | 26,839 | 28,739 | 27,150 |
| Sheriff | 313,130 | 296,141 | 296,995 | 285,475 |
| Jail | - | - | - | - |
| Prosecuting Attorney | 64,271 | 60,889 | 70,100 | 68,463 |
| Juvenile Officer | 9,852 | 8,055 | 9,692 | 7,416 |
| Coroner | 11,628 | 11,096 | 10,998 | 10,248 |
| Other | 217,539 | 208,803 | 182,596 | 136,813 |
| Debt Services | 13,800 | 13,786 | 14,000 | 14,402 |
| Health and welfare | 18,000 | 13,072 | 18,100 | 12,050 |
| Transfers out | 15,000 | 15,000 | 7,500 | - |
| Emergency fund | 40,000 | 30,000 | 40,000 | 40,000 |
| Total Disbursements | <u>\$ 1,336,088</u> | <u>1,228,374</u> | <u>1,116,855</u> | <u>986,374</u> |
| RECEIPTS OVER (UNDER) | | | | |
| DISBURSEMENTS | (70,054) | (25,689) | (15,924) | 130,046 |
| CASH, JANUARY 1 | <u>79,952</u> | <u>79,952</u> | <u>54,263</u> | <u>54,263</u> |
| CASH, DECEMBER 31 | <u>\$ 9,898</u> | <u>54,263</u> | <u>38,339</u> | <u>184,309</u> |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | ROAD AND BRIDGE FUND | | | | ASSESSMENT FUND | | | |
|--------------------------|-------------------------|---------|-----------|----------|-------------------------|----------|---------|---------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ 18,000 | 15,968 | 17,000 | 15,982 | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | 923,000 | 703,219 | 945,500 | 737,992 | 104,900 | 97,912 | 101,200 | 107,233 |
| Charges for services | - | - | - | 180 | 600 | 674 | 500 | 439 |
| Interest | 3,500 | 5,794 | 5,800 | 5,732 | 1,300 | 1,410 | 1,000 | 1,311 |
| Other | 28,500 | 52,950 | 18,500 | 29,075 | - | 23 | - | 207 |
| Transfers in | - | - | - | - | 15,000 | 15,000 | 7,500 | - |
| Total Receipts | 973,000 | 777,931 | 986,800 | 788,961 | 121,800 | 115,019 | 110,200 | 109,190 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | 145,000 | 126,950 | 132,000 | 129,121 | 32,000 | 32,000 | 32,000 | 32,000 |
| Employee fringe benefits | 48,700 | 37,646 | 44,700 | 37,400 | 15,743 | 15,180 | 16,185 | 16,014 |
| Materials and Supplies | 326,000 | 292,876 | 321,000 | 357,770 | 3,570 | 1,334 | 3,785 | 3,365 |
| Services and Other | 35,551 | 22,409 | 25,803 | 6,382 | 89,966 | 81,526 | 56,953 | 45,810 |
| Capital Outlay | 60,000 | 600 | 75,000 | 72,577 | 700 | 1,839 | 1,200 | 450 |
| Construction | 344,000 | 185,028 | 355,000 | 223,936 | - | - | - | - |
| Transfers out | 47,963 | 47,963 | 49,375 | 49,375 | - | - | - | - |
| Total Disbursements | 1,007,214 | 713,472 | 1,002,878 | 876,561 | 141,979 | 131,879 | 110,123 | 97,639 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | (34,214) | 64,459 | (16,078) | (87,600) | (20,179) | (16,860) | 77 | 11,551 |
| CASH, JANUARY 1 | 44,191 | 44,191 | 108,650 | 108,650 | 20,799 | 20,799 | 3,939 | 3,939 |
| CASH, DECEMBER 31 | \$ 9,977 | 108,650 | 92,572 | 21,050 | 620 | 3,939 | 4,016 | 15,490 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | SPECIAL ELECTION FUND | | | | L.E.T. FUND | | | |
|--------------------------|-------------------------|--------|--------|--------|-------------------------|--------|--------|--------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | 22,540 | 14,550 | 21,940 | 17,599 | - | - | - | - |
| Charges for services | - | - | - | - | 1,200 | 886 | 1,200 | 912 |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | 22,540 | 14,550 | 21,940 | 17,599 | 1,200 | 886 | 1,200 | 912 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | 12,125 | 6,952 | 12,125 | 8,948 | - | - | - | - |
| Services and Other | 8,815 | 7,598 | 8,815 | 8,651 | 1,300 | 876 | 1,100 | 888 |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | 1,600 | - | 1,000 | - | - | - | - | - |
| Total Disbursements | 22,540 | 14,550 | 21,940 | 17,599 | 1,300 | 876 | 1,100 | 888 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | - | - | - | - | (100) | 10 | 100 | 24 |
| CASH, JANUARY 1 | - | - | - | - | 193 | 193 | 203 | 203 |
| CASH, DECEMBER 31 | \$ - | - | - | - | 93 | 203 | 303 | 227 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | PROSECUTING ATTORNEY TRAINING FUND | | | | BAD CHECK FUND | | | |
|--------------------------|------------------------------------|--------|--------|--------|-------------------------|--------|--------|--------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | 200 | 225 | 225 | 231 | 6,000 | 9,469 | 7,000 | 10,689 |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | 200 | 225 | 225 | 231 | 6,000 | 9,469 | 7,000 | 10,689 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | - | - | - | - | - | 500 | 483 |
| Services and Other | - | - | 500 | 439 | 4800 | 3910 | 2100 | 3861 |
| Capital Outlay | - | - | - | - | 1000 | 965 | 3000 | 1245 |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | - | - | 500 | 439 | 5,800 | 4,875 | 5,600 | 5,589 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | 200 | 225 | (275) | (208) | 200 | 4,594 | 1,400 | 5,100 |
| CASH, JANUARY 1 | 1,518 | 1,518 | 1,743 | 1,743 | 13,566 | 13,566 | 18,160 | 18,160 |
| CASH, DECEMBER 31 | \$ 1,718 | 1,743 | 1,468 | 1,535 | 13,766 | 18,160 | 19,560 | 23,260 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | EMERGENCY PREPAREDNESS | | | | CHILDREN'S TRUST FUND | | | |
|--------------------------|-------------------------|--------|---------|--------|-------------------------|--------|--------|--------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | 13,905 | 20,304 | 13,180 | 13,922 | - | - | - | - |
| Charges for services | - | - | - | - | - | 260 | 275 | 350 |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | 54 | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | 13,905 | 20,304 | 13,180 | 13,976 | - | 260 | 275 | 350 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | 9,100 | 9,160 | 9,100 | 9,030 | - | - | - | - |
| Employee fringe benefits | 725 | 689 | 730 | 688 | - | - | - | - |
| Materials and Supplies | 217 | 205 | 420 | 177 | - | - | - | - |
| Services and Other | 4,190 | 3,582 | 4,565 | 4,396 | - | - | - | - |
| Capital Outlay | 3,550 | 4,180 | 2,250 | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | 17,782 | 17,816 | 17,065 | 14,291 | - | - | - | - |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | (3,877) | 2,488 | (3,885) | (315) | - | 260 | 275 | 350 |
| CASH, JANUARY 1 | 30,517 | 30,517 | 33,005 | 33,005 | 3,200 | 3,200 | 3,460 | 3,460 |
| CASH, DECEMBER 31 | \$ 26,640 | 33,005 | 29,120 | 32,690 | 3,200 | 3,460 | 3,735 | 3,810 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | PROSECUTING ATTORNEY TAX COLLECTION FUND | | | | POST COMMISSION FUND | | | |
|--------------------------|--|--------|--------|--------|-------------------------|--------|--------|--------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | 250 | 139 | - | - | 675 | 39 | 540 | 500 |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | 250 | 139 | - | - | 675 | 39 | 540 | 500 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | - | - | - | - | - | - | - |
| Services and Other | - | - | - | - | 675 | 378 | 540 | 400 |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | - | - | - | - | 675 | 378 | 540 | 400 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | 250 | 139 | - | - | - | (339) | - | 100 |
| CASH, JANUARY 1 | 6,181 | 6,181 | 6,320 | 6,320 | 348 | 348 | 9 | 9 |
| CASH, DECEMBER 31 | \$ 6,431 | 6,320 | 6,320 | 6,320 | 348 | 9 | 9 | 109 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | EMERGENCY FUND | | | | SHERIFF'S CIVIL FEES FUND | | | |
|--------------------------|-------------------------|---------|---------|---------|---------------------------|---------|---------|---------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | 12,000 | 9,964 | 11,000 | 12,202 |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Transfers in | 40,000 | 30,000 | 40,000 | 40,000 | - | - | - | - |
| Total Receipts | 40,000 | 30,000 | 40,000 | 40,000 | 12,000 | 9,964 | 11,000 | 12,202 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | - | - | - | - | - | - | - |
| Services and Other | - | - | - | - | 12,500 | 11,600 | 5,000 | 6,291 |
| Capital Outlay | - | - | - | - | - | - | 10,500 | 8,435 |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | - | - | - | - | 12,500 | 11,600 | 15,500 | 14,726 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | 40,000 | 30,000 | 40,000 | 40,000 | (500) | (1,636) | (4,500) | (2,524) |
| CASH, JANUARY 1 | 73,235 | 73,235 | 103,235 | 103,235 | 7,951 | 7,951 | 6,315 | 6,315 |
| CASH, DECEMBER 31 | \$ 113,235 | 103,235 | 143,235 | 143,235 | 7,451 | 6,315 | 1,815 | 3,791 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | RECORDER USER FEES FUND | | | | VICTIM'S ASSISTANCE FUND | | | |
|--------------------------|-------------------------|---------|--------|--------|--------------------------|--------|--------|--------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | 4,000 | 3,522 | 3,500 | 3,120 | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | 4,000 | 3,522 | 3,500 | 3,120 | - | - | - | - |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | - | - | - | - | - | - | - |
| Services and Other | 3,000 | 5,400 | 650 | 577 | 2,393 | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | 3,000 | 5,400 | 650 | 577 | 2,393 | - | - | - |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | 1,000 | (1,878) | 2,850 | 2,543 | (2,393) | - | - | - |
| CASH, JANUARY 1 | 4,461 | 4,461 | 2,583 | 2,583 | 2,393 | 2,393 | 2,393 | 2,393 |
| CASH, DECEMBER 31 | \$ 5,461 | 2,583 | 5,433 | 5,126 | - | 2,393 | 2,393 | 2,393 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | TAX MAINTENANCE FUND | | | | RECORDER TECHNOLOGY FUND | | | |
|--------------------------|-------------------------|---------------|---------------|---------------|--------------------------|--------------|--------------|--------------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | 6,000 | 7,314 | 8,000 | 6,977 | 2,200 | 1,922 | 2,000 | 1,762 |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | <u>6,000</u> | <u>7,314</u> | <u>8,000</u> | <u>6,977</u> | <u>2,200</u> | <u>1,922</u> | <u>2,000</u> | <u>1,762</u> |
| DISBURSEMENTS | | | | | | | | |
| Salaries | 5,000 | 57 | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | - | - | - | - | - | - | - |
| Services and Other | 5,500 | 371 | 13,400 | 8,534 | - | - | 3,000 | 2,930 |
| Capital Outlay | 6,695 | 4,030 | 6,500 | 8,170 | 5,350 | 5,121 | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | <u>17,195</u> | <u>4,458</u> | <u>19,900</u> | <u>16,704</u> | <u>5,350</u> | <u>5,121</u> | <u>3,000</u> | <u>2,930</u> |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | (11,195) | 2,856 | (11,900) | (9,727) | (3,150) | (3,199) | (1,000) | (1,168) |
| CASH, JANUARY 1 | <u>18,441</u> | <u>18,441</u> | <u>21,297</u> | <u>21,297</u> | <u>9,643</u> | <u>9,643</u> | <u>6,444</u> | <u>6,444</u> |
| CASH, DECEMBER 31 | <u>\$ 7,246</u> | <u>21,297</u> | <u>9,397</u> | <u>11,570</u> | <u>6,493</u> | <u>6,444</u> | <u>5,444</u> | <u>5,276</u> |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | COUNTY CLERK'S ELECTION FUND | | | | EMERGENCY DISPATCH FUND | | | |
|--------------------------|------------------------------|---------|---------|--------|-------------------------|----------|----------|---------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | 210,000 | 198,768 | 190,500 | 221,675 |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | - | - | 1,000 | 1,400 | - | - | - | - |
| Interest | - | - | 665 | 577 | 4,000 | 5,126 | 4,800 | 6,426 |
| Other | - | 2,246 | - | - | - | 600 | - | (595) |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | - | 2,246 | 1,665 | 1,977 | 214,000 | 204,494 | 195,300 | 227,506 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | 165,964 | 124,067 | 168,120 | 130,370 |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | 7,602 | - | - | - | 8,130 | - | 6,308 |
| Services and Other | 568 | - | 2500 | 304 | 57,992 | 117,095 | 58,472 | 78,364 |
| Capital Outlay | 7034 | - | 9000 | 430 | 20,000 | - | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | 7,602 | 7,602 | 11,500 | 734 | 243,956 | 249,292 | 226,592 | 215,042 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | (7,602) | (5,356) | (9,835) | 1,243 | (29,956) | (44,798) | (31,292) | 12,464 |
| CASH, JANUARY 1 | 19,275 | 19,275 | 13,919 | 13,919 | 196,661 | 196,661 | 151,863 | 151,863 |
| CASH, DECEMBER 31 | \$ 11,673 | 13,919 | 4,084 | 15,162 | 166,705 | 151,863 | 120,571 | 164,327 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | COMMUNITY DEVELOPMENT BLOCK GRANT | | | | MOPS FUND | | | |
|--------------------------|-----------------------------------|--------|--------|--------|-------------------------|--------|--------|--------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 1,500 | 1,650 | 1,650 | 1,790 |
| Charges for services | - | - | - | - | - | - | - | - |
| Interest | - | 1 | 2 | 2 | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | - | 1 | 2 | 2 | 1,500 | 1,650 | 1,650 | 1,790 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | - | - | - | - | - | - | - |
| Services and Other | - | - | - | - | 1500 | 1468 | 1,900 | 1,975 |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | - | - | - | - | 1,500 | 1,468 | 1,900 | 1,975 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | - | 1 | 2 | 2 | - | 182 | (250) | (185) |
| CASH, JANUARY 1 | 41 | 41 | 42 | 42 | 138 | 138 | 320 | 320 |
| CASH, DECEMBER 31 | \$ 41 | 42 | 44 | 44 | 138 | 320 | 70 | 135 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | SHERIFF'S REVOLVING FUND | | | | LAW ENFORCEMENT RESTITUTION FUND | | | |
|--------------------------|--------------------------|--------|--------|--------|----------------------------------|--------|--------|--------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | - | - |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | 500 | 200 | 200 | 625 | 1,500 | - | 1,500 | - |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | 866 | 2,000 | 19,850 |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | 500 | 200 | 200 | 625 | 1,500 | 866 | 3,500 | 19,850 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | - | - | - | - | - | - | - |
| Services and Other | - | - | 500 | - | - | - | 3,000 | 2,313 |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | - | - | 500 | - | - | - | 3,000 | 2,313 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | 500 | 200 | (300) | 625 | 1,500 | 866 | 500 | 17,537 |
| CASH, JANUARY 1 | 841 | 841 | 1,041 | 1,041 | 1,060 | 1,060 | 1,926 | 1,926 |
| CASH, DECEMBER 31 | \$ 1,341 | 1,041 | 741 | 1,666 | 2,560 | 1,926 | 2,426 | 19,463 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

| | WAR MEMORIAL FUND | | | | SENIOR CITIZENS SERVICES FUND | | | |
|--------------------------|-------------------------|--------|---------|--------|-------------------------------|--------|--------|--------|
| | Year Ended December 31, | | | | Year Ended December 31, | | | |
| | 2006 | | 2007 | | 2006 | | 2007 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| RECEIPTS | | | | | | | | |
| Property taxes | \$ - | - | - | - | - | - | 40,000 | 38,551 |
| Sales taxes | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | 562 |
| Other | - | 1,875 | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Total Receipts | - | 1,875 | - | - | - | - | 40,000 | 39,113 |
| DISBURSEMENTS | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee fringe benefits | - | - | - | - | - | - | - | - |
| Materials and Supplies | - | - | - | - | - | - | 38,700 | 21,700 |
| Services and Other | - | - | 1,000 | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total Disbursements | - | - | 1,000 | - | - | - | 38,700 | 21,700 |
| RECEIPTS OVER (UNDER) | | | | | | | | |
| DISBURSEMENTS | - | 1,875 | (1,000) | - | - | - | 1,300 | 17,413 |
| CASH, JANUARY 1 | - | - | 1,875 | 1,875 | - | - | - | - |
| CASH, DECEMBER 31 | \$ - | 1,875 | 875 | 1,875 | - | - | 1,300 | 17,413 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2006 and 2007

| AGENCY FUND | December 31, 2006 | | December 31, 2007 | |
|-----------------------------------|------------------------------|---------------|------------------------------|---------------|
| | Cash and Cash Equivalents | Due to Others | Cash and Cash Equivalents | Due to Others |
| School | \$ 42,429 | 42,429 | 44,928 | 44,928 |
| Medical Reimbursement | 2,816 | 2,816 | 4,617 | 4,617 |
| County Employees' Retirement Fund | 3,598 | 3,598 | 2,059 | 2,059 |
| Collector's Account | 384,002 | 384,002 | 4,270,714 | 4,270,714 |
| Total | \$ 432,845 | 432,845 | 4,322,318 | 4,322,318 |

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gentry County, Missouri ("County"), is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Collector-Treasurer, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Gentry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The following fund types are used by the County:

Governmental Fund Type – Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Fund Type – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles

require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, typically during the third and fourth weeks of January.
6. Prior to February 1 the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following fund:
 - a. Children's Trust Fund – 2006

10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds.

| Fund | Year Ended December 31, | |
|------------------------|-------------------------|-------|
| | 2007 | 2006 |
| Emergency Preparedness | N/A | 34 |
| Recorder User Fees | N/A | 2,400 |
| Emergency Dispatch | N/A | 5,336 |
| MOPS | \$ 75 | N/A |

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2007 and 2006, for purposes of taxation was:

| | <u>2007</u> | <u>2006</u> |
|------------------------|---------------|-------------|
| Real Estate | \$ 50,376,050 | 44,460,060 |
| Personal Property | 22,259,195 | 21,426,287 |
| Railroad and Utilities | 4,661,566 | 4,830,963 |

During 2007 and 2006 the County Commission approved a \$0.5249 and \$0.5200 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2007 and 2006, for purposes of County taxation, as follows:

| | <u>2007</u> | <u>2006</u> |
|----------------------|-----------------|-----------------|
| General Revenue Fund | <u>\$0.5249</u> | <u>\$0.5200</u> |

- F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized

investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2007 and 2006, the carrying amount of the County's deposits was \$5,002,594 and \$975,850 and the bank balance was \$3,575,738 and \$912,554, respectively. Of the bank balance \$221,964 and \$219,441 at December 31, 2007 and December 31, 2006, respectively, were covered by federal depository insurance and \$3,353,774 and \$693,113, respectively, were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent, in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT FUND - CERF

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age sixty (for sheriff's department

personnel); all other departments in the county the age is sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

Pursuant to State Statutes, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. Further, a contribution to CERF of 4% to 6% of gross compensation, depending on LAGERS participation, is required for all participants hired on or after February 2002. A contribution of 0% to 4% of compensation, depending on LAGERS participation, is required of employees hired before February 2002. A lesser contribution requirement applies to employees who participate in LAGERS. The source of funding of these contributions is determined by each county. In Gentry County, the CERF is funded entirely by the employees of the County.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS COMMITMENT AND CONTINGENCIES

A. Litigation

The County has a lawsuit pending against them in regards to the wind turbines that were installed in the western part of the County. A court date has been set for September 2009. Management feels as though any outcome from this lawsuit will be immaterial. This yields no impact on the current audit.

The former Assessor brought suit against the County for refusing to grant her request for a raise in salary. The County was ordered to pay back wages and interest totaling \$33,600 to the former Assessor in 2006. The court order, check and invoice were examined by the audit team. This amount was deemed to be immaterial.

B. Compensated Absences

County employees accrue sick time at a rate of one and one-half days per complete calendar month of employment, accumulated without limit. Upon termination, no payment will be made for unused sick days. Vacation time is accrued for every full time employee and accrues at a rate of two weeks for each full year of employment and an additional day for every year employed after ten full years of employment. Upon termination, no more than two weeks unused vacation shall be paid to an employee.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditure of Federal Awards did not exceed \$500,000 in either 2006 or 2007 and, accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2006, to include certain fiduciary agency funds in the basic financial statements and to exclude certain funds pertaining to the Circuit Court. The effect of this change is to report a statement of assets and liabilities arising from cash transactions for all agency funds, including agency funds not previously reported. These agency funds consist of assets held by County officeholders as an agent of individuals, private organizations and other governmental units. Because agency funds do not report results of operations, the aforementioned change in reporting entity does not affect changes in cash balances of governmental funds as previously reported.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and Officeholders of Gentry County, Missouri

We have audited the accompanying financial statements of Gentry County, Missouri as of and for the years ended December 31, 2007 and 2006, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Gentry County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gentry County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Gentry County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Gentry County, Missouri's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Gentry County, Missouri's financial statements that is more than inconsequential will not be prevented or detected by the Gentry County, Missouri's internal control. We consider the deficiency described in the schedule of findings and recommendations as item 1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Gentry County, Missouri's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gentry County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* that are identified as items 2-4.

We noted a certain matter that we reported to management of Gentry County, Missouri, in the findings and recommendations section as item 5.

Gentry County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Gentry County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
July 29, 2008

FINDINGS AND RECOMMENDATIONS

GENTRY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. **Procurement Practices**

Condition: During our review of the purchasing and payments functions, we noted internal control weaknesses that could allow erroneous payments or improper purchases to occur and remain undetected. These control weaknesses include:

- The process for payment of goods does not include noting “Paid” on actual invoices. As a result, an invoice could be accidentally or intentionally presented for payment more than once.
- The County does not have a control to ensure that materials and equipment for which the County was invoiced were actually received, used for County operations and are properly invoiced. There is no standard process to affix accountability for receipt of goods or for their approval for payment. Invoices are not consistently signed or initialed by the County official or employee who actually receives them.

Recommendation: We recommend the County implement a purchasing process that is documented, communicated to all those involved in purchasing, and includes the following internal controls:

- All invoices are to be noted as “Paid” at the time they are approved. We have observed that in many counties a County Commissioner stamps the invoice paid at the time it is reviewed and approved.
- All bills of lading, receiving reports or invoices are to be signed by the receiver of the item purchased.

County Response: We will ensure that all invoices are signed by the appropriate official and invoices will be marked as paid when checks are mailed.

ITEMS OF NONCOMPLIANCE

In planning and performing our audit of the financial statements of Gentry County, Missouri (the County) as of and for the years ended December 31, 2007 and 2006, in accordance with generally accepted government auditing standards, we considered the County’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County’s internal control in our report dated July 25, 2008. (A separate report dated July 25, 2008 contains our report on significant deficiencies in the County’s internal control). This document does not affect our report dated July 25, 2008.

2. Absence of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however, an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually. Guidelines for developing an investment policy may be found at organizations such as the Government Finance Officer's Association, which offers a publication entitled GFOA's New Model Investment Policy, and examples of investment policies for many counties may be found on the internet.

County' Response: The County will research and adopt an investment policy and review it annually to make any needed changes.

3. Budgetary Overages

Condition: Disbursements exceeded budgeted amounts for two funds during the year ended December 31, 2006 and for one fund during the year ended December 31, 2007. Although budgets were apparently monitored on a regular basis, the County Commission did not ensure that budget amendments were prepared for these funds in accordance with state statute. Actual disbursements exceeded budgeted amounts for the following funds:

| Fund | Year Ended December 31, | |
|------------------------|-------------------------|-------|
| | 2007 | 2006 |
| Emergency Preparedness | N/A | 34 |
| Recorder User Fees | N/A | 2,400 |
| Emergency Dispatch | N/A | 5,336 |
| MOPS | \$ 75 | N/A |

Strict compliance with county budget law is required by county officials. Such compliance helps ensure that county funds are effectively and appropriately managed. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved.

Recommendation: We recommend the County Commission amend the budget, while providing appropriate opportunity for public input, when it becomes evident that disbursements will exceed original budgeted amounts.

County's Response: We will ensure that all budgets are monitored and stay within budgeted amounts or amended as necessary. However, the Emergency Dispatch Fund is monitored by a separate Board of Directors and we do not receive copies of their amendments.

4. Budgetary Practices

Condition: The County did not prepare and publish an annual budget for the Sheriff's Civil Fees Fund or the Children's Trust Fund in 2006. The County Commission is responsible for the preparation and approval of budgets for various County funds in accordance with Section 50.525 through 50.745, RSMo 2007, the County Budget Law.

Recommendation: We recommend the County Commission ensure that a budget is adopted for all funds of the County, as required by the County Budget Law.

County's Response: The County will ensure that budgets are prepared for every fund.

OTHER MATTERS

In planning and performing our audit of the financial statements of Gentry County, Missouri (the County) as of and for the years ended December 31, 2007 and 2006, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated July 29, 2008. (A separate report dated July 29, 2008 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated July 29, 2008.

5. Financial Reporting Practices

Condition: The published financial statements of the County contain certain inaccuracies. We noted that the reported cash balance at the beginning of 2006 for the Emergency Dispatch (911) Fund differed from the ending cash at 2005, as reported in the audited financial statements, by \$100. We also noted that the 2006 financial statements for the Law Enforcement Restitution Fund reported a year-end cash balance of \$1,926, while the cash balance for the same date as reported in the 2007 financial statements was \$1,875. While these differences are minor in amount, greater care should be taken to ensure that all County financial transactions are reported as required by State Statute.

Recommendation: While the differences noted are minor in amount, greater care should be taken to ensure that all County financial transactions are reported as required by State Statute. We recommend the Clerk ensure that all changes to cash balances are recorded as either a receipt or disbursement, and that all such transactions are included in the published financial statements.

County Response: The County Clerk will ensure that all changes in cash balances are recorded as a receipt or disbursement.

GENTRY COUNTY, MISSOURI

FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Gentry County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2005 and 2004.

There were no prior audit findings within our audit scope.